

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**WEDNESDAY
OCTOBER 26, 2011
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

LEN HOUSE, VICE CHAIRMAN
FRAN REED, TREASURER
TODD RULISON, SECRETARY
WILLIAM SULLIVAN, MEMBER
JAMES MRAZ, IDA EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH, P.C.
MIKE REESE, FULTON COUNTY EDC

I. MINUTES FROM AUGUST 4, 2011 MEETING:

MOTION : Accept as presented.
MADE BY : Todd Rulison
SECONDED : Fran Reed
VOTE : Unanimous

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : William Sullivan
SECONDED : Fran Reed
VOTE : Unanimous

III. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- No report.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

IV. **OLD BUSINESS:**

A. 1988 Incubator Building Project in Crossroads Industrial Park:

1. Status Report:

- No response or records have been received from the CIC.

IDA DISCUSSION: Jim Mraz stated that the IDA has received no further information or input from the CIC regarding the IDA's belief that it is still owed money from the sale of Lots 4 and 7 in the Crossroads Industrial Park.

B. Termination of Six (6) STAG Leases:

- The IDA's Leases and PILOT's with STAG have been terminated for the following projects:

A. Johnstown Industrial Park:

- 1) 6 Clermont Street
- 2) 150 Enterprise Drive
- 3) 161 Enterprise Drive
- 4) 190 Enterprise Drive
- 5) 231 Enterprise Drive

B. Crossroads Industrial Park:

- 1) 125 Balzano Road

IDA DISCUSSION: Jim Mraz stated that the STAG transaction was completed in early September. He stated that the properties can now be placed immediately back onto to the tax rolls. He stated that is the responsibility of the local assessors in the taxing jurisdictions where these properties are situated.

V. NEW BUSINESS:

A. 2012 Budget:

	2010 ACTUAL EXPENDITURES	2011 BUDGET	PROPOSED 2012 BUDGET
<u>REVENUE:</u>			
Operating Revenues			
Charges for services	\$ -	\$ 1,600.00	
Rental & financing income		\$ -	
Other operating revenues	\$ 8,438.00	\$ 15,000.00	
Nonoperating Revenues			
Investment earnings	\$ 1,739.09	\$ 2,000.00	\$ 550.00
State/Federal subsidies/grants	\$ -	\$ -	
Municipal/Public authority subsidies/ grants	\$ -	\$ -	
Other nonoperating revenues	\$ 32,912.74	\$ 40,168.00	\$ 57,718.00
Total Revenues & Financing Sources	\$ 43,089.83	\$ 58,768.00	\$ 58,268.00
<u>EXPENDITURES:</u>			
Operating Expenditures			
Salaries and wages	\$ 19,978.81	\$ 20,268.00	\$ 20,268.00
Other employee benefits	\$ -	\$ -	
Professional services contracts	\$ 17,348.00	\$ 21,000.00	\$ 20,500.00
-West & Company	\$ 10,848.00	\$ 10,500.00	\$ 10,000.00
-EDC Marketing	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
-Legal	\$ 1,000.00	\$ 5,000.00	\$ 5,000.00
-CFO	\$ 500.00	\$ 500.00	\$ 500.00
Supplies and materials	\$ -	\$ -	
Other operating expenditures	\$ 5,763.02	\$ 17,500.00	\$ 17,500.00
-Insurance	\$ 852.63	\$ 900.00	\$ 900.00
-Meetings	\$ 446.00	\$ 700.00	\$ 700.00
-NYSEDC Membership	\$ 450.00	\$ 500.00	\$ 500.00
-Park Maintenance	\$ -	\$ 200.00	\$ 200.00
-Miscellaneous	\$ 91.39	\$ 200.00	\$ 200.00
-Cost Recovery Tax	\$ 3,923.00	\$ -	\$ -
-Regional Business Park Project	\$ -	\$ 15,000.00	\$ 15,000.00
Nonoperating Expenditures			
Payment of principal on debt	\$ -	\$ -	\$ -
Interest and other financing charges	\$ -	\$ -	\$ -
Grants and donations	\$ -	\$ -	\$ -
Other nonoperating expenditures	\$ -	\$ -	\$ -
Total Expenditures	\$ 43,089.83	\$ 58,768.00	\$ 58,268.00

IDA DISCUSSION: Jim Mraz presented the proposed 2012 Budget as shown in the Agenda. He stated that the proposed 2012 Budget is, in essence, the same as the 2011 Budget, except for a reduction in the professional services contact with the West & Company of \$500 in preparing the annual audit for the IDA. Bill Sullivan asked if the IDA was going to put out for bid having the audit done. Jim Mraz stated that is certainly the prerogative of the IDA Board if that is what it desires to do. Bill Sullivan asked if putting the service out to bid could save the IDA money. Jim Mraz stated the only way to know would be to do so. He speculated that if a new audit firm was retained, the likelihood would be that the cost in year 1 may be higher due to an additional time the auditing firm may have to put forward to become acclimated with the operations and the accounting of the IDA.

IDA ACTION:

MOTION: To adopt the 2012 Budget as presented.

MADE BY: Fran Reed

SECONDED: Todd Rulison

VOTE: Unanimous

B. Marketing Agreement:

1. Invoice:

- EDC has submitted invoice for \$5,000 per the 2011-12 Marketing Agreement.

IDA DISCUSSION: Jim Mraz stated that the EDC has submitted its invoice for \$5,000 per the 2011-12 Marketing Agreement. He asked Mike Reese what marketing the EDC is doing on behalf of the IDA. Mike Reese stated that he attended a conference in the springtime of Corporate Site Selectors. In addition, the EDC's website has been updated and all properties that the EDC/CIC has are listed now on this website.

IDA ACTION:

MOTION: To authorize the payment of this invoice.

MADE BY: William Sullivan

SECONDED: Todd Rulison

VOTE: Unanimous

C. Invoice from Fitzgerald, Morris, Baker, Firth, PC:

- Fitzgerald, Morris, Baker, Firth, PC has submitted an invoice for \$5,000 which is their retainer for 2011.

IDA DISCUSSION: Jim Mraz stated that Fitzgerald, Morris, Baker, Firth, PC has submitted its invoice per the IDA's Agreement with the firm for legal services provided in 2011.

IDA ACTION:

MOTION: To authorize the payment of this invoice.

MADE BY: Fran Reed

SECONDED: William Sullivan

VOTE: Unanimous

VI. OTHER BUSINESS:

A. Tryon Redevelopment Plan:

1. Background:

a. The closing of Tryon School has created negative economic impacts on Fulton County:

- Loss of 325 jobs.
- Loss of \$15,000,000/year in wages spent in local economy.
- Loss of \$100,000/year in water revenues to Gloversville Water Department.
- Loss of \$70,000/year in sewer revenues to the Gloversville-Johnstown Joint Wastewater Treatment Plant.
- Lost sales to local businesses.

2. Fulton County's Redevelopment Plan for the Tryon Campus:

a. New York State deeds Tryon's lands and infrastructure to Fulton County to redevelop into the Tryon Business Park:

1. The Tryon Campus' assets include:

- 517 total acres of land.
 - 453 acres in Town of Perth
 - 64 acres in Town of Johnstown
- Public water and sewer supplied from City of Gloversville.
- Natural gas and electric service.
- Existing access roads.
- Security fencing.

2. The Tryon Business Park has the potential to have:

- Approximately 325 acres redeveloped into a Business Park.
- Eight (8) lots ranging from approximately 25-50 acres.
- Over 2.0 million sq. ft. of building space constructed which would be comparable to or exceed the existing building space in the Johnstown and Crossroads Industrial Parks combined.

3. It has been proposed to have the land deeded over to the Fulton County Industrial Development Agency.

IDA DISCUSSION: Jim Mraz reviewed several drawings illustrating the proposed Tryon Redevelopment Plan. He stated that it has been proposed that the State of New York transfer title of the 517 acres of land over to the Fulton County Industrial Development Agency for the IDA to manage in the development of the Tryon Business Park. He stated the question for the IDA Board today is whether the Board is willing to accept the land if the State of New York is willing to transfer it over to it.

Jim Mraz stated that the key for this project right now is getting the State of New York to commit to and then complete the transferring of title of lands over to the IDA. He stated once this occurs, the IDA and EDC would be in a position to commence marketing the property to perspective businesses.

B. Consolidated Funding Application (CFA):

- Resolution 345 dated October 11, 2011 was adopted by the Board of Supervisors authorizing the filing of a Consolidated Funding Application (CFA) to the Mohawk Valley Regional Economic Development Council requesting money to develop the Tryon Business Park.
- CFA must be submitted by October 31, 2011.
- Funds are being requested to:
 - a. Conduct Engineering evaluation of existing infrastructure/roads.
 - b. Prepare Engineering Plans for new infrastructure/roads.
 - c. Construct infrastructure/road improvements.
 - d. Reconstruct County Road 107.
 - e. Develop/Implement Marketing/Advertising Campaign.

IDA DISCUSSION: Jim Mraz reviewed the information in the Agenda regarding the CFA. He stated the CFA is targeted to be submitted on October 27th. The application will request funds to perform all of the engineering that would be necessary to verify what infrastructure improvements would be required to transform this site into a Business Park.

IDA ACTION:

MOTION: To endorse Fulton County's Redevelopment Plan for the Tryon Campus and to acknowledge the IDA's support of and willingness to take ownership of the lands at Tryon from New York State.

MADE BY: Fran Reed
SECONDED: William Sullivan
VOTE: Unanimous

C. Economic Transformation Areas (ETA):

1. Background:

- An Economic Transformation Area (ETA) around the former Tryon Campus has been created.
- The ETA is a 15-mile radius around the former campus.
- See map.

2. Application:

- A business must apply for benefits by the later of:
 - 1) Three (3) years from the date the ETA was created, which was September, 2011.
 - 2) January 1, 2015.
- Tax credits would be available for five (5) years once application is approved.

3. Tax Credits available to new businesses location in an ETA:

- A jobs tax credit of 6.85% of the wages of each net new job.
- An investment tax credit of 6% of capital investments with the credit increasing to 10% if it is at the site of closed facility. This credit is capped at \$4 million per firm for investments outside the facility and \$8 million for all investments at the facility.
- A real property tax credit of 25% of eligible property taxes in the first year, phasing down to 5% in year five. The credit is 50% of eligible property taxes for firms located at the facility phasing down to 10% in year 5.
- A job training tax credit of 50% of training expenses, capped at \$4,000 per eligible employee per year. Eligibility for this credit is limited to instances where former facility employees are hired by a new firm.
- A sales tax refund on tangible personal property used for construction at an eligible site.

4. Tax Credit Eligibility Criteria:

- | | | |
|-------------------------|---|---|
| • New Business Location | : | Within (ETA) |
| • Minimum Job Creation | : | 5 net new jobs |
| • Targeted Industries | : | High-tech, bio-tech, clean-tech, manufacturing and other strategic industries identified in the applicable Regional Council's strategic plan. Retail, real estate development and professional services may be included if located at a closed facility pursuant to a reuse plan. |

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda regarding the ETA that has been established around the former Tryon Campus. He stated these benefits represent a marketing tool available to the EDC to attract new businesses not only into the potential Tryon Business Park but into the other existing parks in Fulton County.

VII. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : William Sullivan
SECONDED : Fran Reed
VOTE : Unanimous
TIME : 9:30 a.m.